

REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Component Unit Financial Statements
As of and for the Year
Ended December 31, 2002
with Supplemental Information Schedules

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Component Unit Financial Statements
As of and for the Year Ended December 31, 2002
With Supplemental Information Schedule

C O N T E N T S

	<u>Page No.</u>
TRANSMITTAL LETTER	1
AFFIDAVIT	2
ACCOUNTANT'S COMPILATION REPORT	3
FINANCIAL STATEMENTS	
ALL FUND TYPES AND ACCOUNT GROUPS:	
	<u>Statement</u>
Combined Balance Sheet – All fund types and account groups A	4
GOVERNMENTAL FUNDS:	
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	B 5
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C 6
NOTES TO FINANCIAL STATEMENTS	7 - 14
SUPPLEMENTAL INFORMATION	
Schedule of Compensation Paid to Board Members	15

TRANSMITTAL LETTER

ANNUAL FINANCIAL STATEMENTS

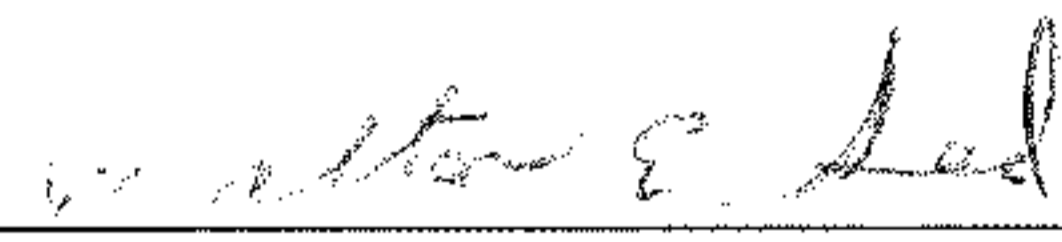
DECEMBER 31, 2002

Office of the Legislative Auditor
1600 North Third
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sir:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Washington Parish Fire Protections District # 4 as of and for the fiscal year ended December 31, 2002. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely



Officer

WASHINGTON PARISH FIRE PROTECTION DISTRICT # 4
PINE, LOUISIANA

ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2002
WITH APPROPRIATE SUPPLEMENTAL INFORMATION

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, is required by Louisiana Revised Statute 24:513(1)(1)(c)(i).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Walt Seal, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Washington Parish Fire Protection District #4 as of December 31, 2002, and the results of the operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Walt Seal, who, duly sworn, deposes and says that the Washington Parish Fire Protection District #4 received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 2002, and accordingly, is not required to have an audit for the previously mentioned fiscal year end.

Walt Seal

Signature

Sworn to and subscribed before me, this 24th day of March, 2003.

Louise C. Barber

NOTARY PUBLIC

Officer Walt Seal

Address 53077 Hwy 62 Pine, LA

Telephone 985-848-2228

WILLIAM R. DURDEN

Certified Public Accountant

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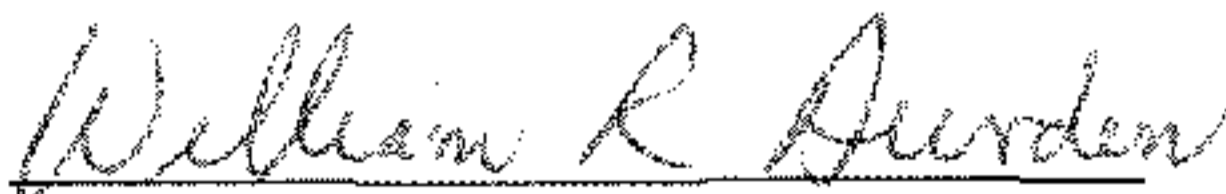
MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District # 4
Pine, Louisiana

I have compiled the accompanying financial statements and supplemental information of the Washington Parish Fire Protection District # 4, a component unit of the Washington Parish Government, as of and for the year ended December 31, 2002, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.



William R. Durden
Certified Public Accountant

Franklinton, Louisiana
March 19, 2003

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

All Fund Types and Account Groups

Balance Sheet
December 31, 2002

	Governmental Funds		Account Groups			Total
	General Fund	Debt Service Fund	General Fixed Assets	General Long-Term Obligations	Memorandum Only	
ASSETS AND OTHER DEBITS						
ASSETS:						
Cash and cash equivalents	\$ 5,749	\$ -	\$ -	\$ -		\$ 5,749
Receivables	30,342	-	-	-		30,342
Prepaid expenses	388	-	-	-		388
Land, buildings & equipment	-	-	273,632	-		273,632
OTHER DEBITS:						
Amount to be provided for retirement of long-term obligations	-	-	-	32,616		32,616
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 36,479</u>	<u>\$ -</u>	<u>\$ 273,632</u>	<u>\$ 32,616</u>		<u>\$ 342,727</u>
LIABILITIES, EQUITY, AND OTHER CREDITS						
LIABILITIES:						
Note payable - Citizens Savings Bank	\$ -	\$ -	\$ -	\$ 32,616		\$ 32,616
Deferred Revenue	30,342	-	-	-		30,342
Total Liabilities	<u>30,342</u>	<u>-</u>	<u>-</u>	<u>32,616</u>		<u>62,958</u>
EQUITY AND OTHER CREDITS:						
Investment in general fixed assets	-	-	273,632	-		273,632
Fund balance - unreserved	(4,789)	-	-	-		(4,789)
Fund balance - reserved	10,926	-	-	-		10,926
Total Equity and Other Credits	<u>6,137</u>	<u>-</u>	<u>273,632</u>	<u>-</u>		<u>279,769</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 36,479</u>	<u>\$ -</u>	<u>\$ 273,632</u>	<u>\$ 32,616</u>		<u>\$ 342,727</u>

See accountant's report and accompanying notes to the financial statements.

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2002

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES:			
Ad valorem taxes	\$ 28,317	\$ -	\$ 28,317
State revenue sharing	20,563	-	20,563
Other revenues:			
Interest earned	131	-	131
Other	275	-	275
Total Revenues	<u>49,286</u>	<u>-</u>	<u>49,286</u>
EXPENDITURES:			
Insurance	7,509	-	7,509
Accounting and legal	800		
Repairs and maintenance	8,111	-	8,111
Capital Outlay	20,821	-	20,821
Utilities	814	-	814
Supplies	7,376	-	7,376
Fuel, gas, and oil	1,736	-	1,736
Debt service:			
Principal retirement	-	7,841	7,841
Interest	-	3,085	3,085
Other	1,381	-	1,381
Total expenditures	<u>48,548</u>	<u>10,926</u>	<u>59,474</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	738	(10,926)	(10,188)
Fund transfers	<u>(10,926)</u>	<u>10,926</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS	(10,188)	-	(10,188)
FUND BALANCE, JANUARY 1, 2002	<u>16,325</u>	<u>-</u>	<u>16,325</u>
FUND BALANCE, DECEMBER 31, 2002	<u>\$ 6,137</u>	<u>\$ -</u>	<u>\$ 6,137</u>

See accountant's report and accompanying notes to the financial statements.

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2002

	Budget	Amended Budget	Actual	Variance
REVENUES:				
Ad valorem taxes	\$ 27,500	\$ 28,400	\$ 28,317	\$ (83)
State revenue sharing	20,500	12,359	20,563	8,204
Other revenues:				
Interest earned	700	125	131	6
Other	300	300	275	(25)
Total Revenues	<u>49,000</u>	<u>41,184</u>	<u>49,286</u>	<u>8,102</u>
EXPENDITURES:				
Insurance	7,500	7,500	7,509	(9)
Accounting	-	-	800	(800)
Repairs and maintenance	4,000	6,200	8,111	(1,911)
Capital Outlay	10,000	27,500	20,821	6,679
Utilities	1,500	1,350	814	536
Supplies	3,000	2,500	7,376	(4,876)
Fuel, gas, and oil	1,300	1,700	1,736	(36)
Other	1,774	1,665	1,381	284
Total expenditures	<u>29,074</u>	<u>48,415</u>	<u>48,548</u>	<u>(133)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	19,926	(7,231)	738	7,969
Fund transfers	<u>(10,926)</u>	<u>(10,926)</u>	<u>(10,926)</u>	<u>-</u>
EXCESS OF REVENUES AND FUND TRANSFERS	9,000	(18,157)	(10,188)	7,969
FUND BALANCE, JANUARY 1, 2002	<u>16,325</u>	<u>16,325</u>	<u>16,325</u>	<u>-</u>
FUND BALANCE, DECEMBER 31, 2002	<u>\$ 25,325</u>	<u>\$ (1,832)</u>	<u>\$ 6,137</u>	<u>\$ 7,969</u>

See accountant's report and accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements
For the Year Ended December 31, 2002

INTRODUCTION

As provided by Louisiana Revised Statute 40:1496.12E, the Fire Protection District Number Four of Washington Parish was created. The district shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The district shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the district for the protection of the property within the limits of the district against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the district. All funds of the district shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The district encompasses approximately 100 square miles in a portion of Wards 5, 7, and 8 of Washington Parish. It serves approximately 3,500 people and several small businesses living and operating in this district. It operates three fire houses in Pine, Thomas, and Stateline, Louisiana, with a volunteer staff of fire fighters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Washington Parish Fire Protection District #4 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.
2. Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish council appoints a voting majority of the district's governing board and the parish council has the ability to impose its will on the district, the district was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

C. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursements of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

- a. General Fund – the general operating fund of the district accounts for all financial resources, except those required to be accounted for in other funds.
- b. Debt Service Fund – the debt service fund of the district accounts for the matured portion of and the payment of principal and interest of liabilities of the General Long-term Debt Account Group.

D. BASIS OF ACCOUNTING

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Nonexchange Transactions, defines a nonexchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed nonexchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received,

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

whichever occurs first. Revenues are recognized in the period when use of the resources is required or first permitted by time requirements, for example for property taxes, the period for which (budget period) they are levied, or at the same time the assets are recognized, if no time requirements have been established. Resources received or recognized as receivable before the time requirements are met should be recognized as deferred revenue. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date, therefore, a receivable is recorded at this time, however that actual amount paid to the governmental unit may not be collected until a later budget period, thus the revenue is recorded as deferred revenue and earned as collected.

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

E. BUDGETS

The district does not have a formal policy on adopting a budget. The budget for year ending December 31, 2002, was adopted at the district's December, 2001, regular meeting. The budget was amended at the district's regular meeting October 1, 2002. All appropriations lapse at year-end.

F. ENCUMBRANCES

The district does not use encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

H. PREPAID ITEMS

The district uses the allocation method of recording prepaid expenses.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

J. COMPENSATED ABSENCES

The district does not have any paid employees; therefore, it does not have a formal leave policy.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

L. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

2. LEVIED TAXES

On April 19, 1995, the district passed a proposal for a 10 mill property tax assessment upon the property owners of the district, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 1996 for the purpose of maintaining and operating the district's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection service.

Net ad valorem tax (9.75 mill assessment)	<u>\$ 29,714.</u>
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3. CASH AND CASH EQUIVALENTS

At December 31, 2002, the district has cash and cash equivalents totaling \$5,749., as follows:

Non-interest bearing demand deposits	\$ 2,588.
Interest bearing demand deposits	<u>3,161.</u>
Total cash and cash equivalents	<u>\$ 5,749.</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2002, the district had \$5,749. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2002:

<u>Class of receivable</u>	<u>General Fund</u>
Ad valorem taxes	\$ 29,714.
Prior year taxes receivable	<u>628.</u>
Total receivables	<u>\$ 30,342.</u>

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Fire trucks	\$ 138,200	\$ -	\$ -	\$ 138,200
Fire house	40,809	-	-	40,809
Equipment	73,802	20,821	-	94,623
TOTAL	\$ 252,811	\$ 20,821	\$ -	\$ 273,632

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
Notes Payable	\$ 40,457	\$ -	\$ 7,841	\$ 32,616
TOTAL	\$ 40,457	\$ -	\$ 7,841	\$ 32,616

The State Bond Commission at a meeting held on May 16, 1996, approved the district's application to borrow \$75,000. for two fire trucks to be secured by and payable from the avails or proceeds of the ten mill tax authorized at an election on April 29, 1995. On September 10, 1996, the district borrowed \$75,000. from Citizens Savings Bank in Franklinton, Louisiana, at an interest rate of seven and one-half percent (7.5%) percent per annum, to be repaid over a ten year period.

The annual requirements to amortize all bonds and/or indebtedness outstanding at December 31, 2002, including interest of \$5,774 are as follows:

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2002

<u>LONG TERM DEBT REQUIREMENTS</u>	
<u>Year Ending</u>	<u>NOTE PAYABLE</u>
2003	10,926
2004	10,926
2005	10,926
2006	6,368
	<u>\$ 39,146</u>

7. FUND BALANCE - RESERVED

The reserved fund balance is funds set aside to pay the next installment of the Citizens Savings Bank note for two tanker trucks.

SUPPLEMENTAL INFORMATION

WASHINGTON PARISH FIRE PROTECTION DISTRICT #4
WASHINGTON PARISH GOVERNMENT
Pine, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2002

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

See accountant's report.